



U.S. GOVERNMENT PUBLISHING OFFICE

OFFICE OF INSPECTOR GENERAL

732 North Capitol Street NW
Washington, DC 20401-0050

March 31, 2015

The Honorable Ron Johnson
Chairman
Committee on Homeland Security
and Governmental Affairs
U.S. Senate
340 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Charles E. Grassley
Chairman
Committee on the Judiciary
U.S. Senate
224 Dirksen Senate Office Building
Washington, DC 20510

Via Electronic Transmission

Dear Chairmen Johnson and Grassley:

Thank you for your February 27, 2015, letter requesting that the Government Publishing Office (GPO) Office of Inspector General (OIG) provide: (1) an accounting of all outstanding unimplemented recommendations, as well as the aggregate potential cost savings of these open recommendations, (2) a narrative description of all audits, evaluations, and investigations provided to the agency for comment but not responded to within 60 days, (3) a report on each investigation involving GS-15 level or above employees, or other Federal pay scale equivalent employees, at a Federal agency or department where misconduct was found, but no prosecution resulted, (4) detailed descriptions of any instances of whistleblower retaliation, including information about the official found to have engaged in retaliation and what, if any consequences, the agency imposed to hold that official accountable, (5) detailed descriptions of any attempts to interfere with IG independence, (6) a detailed description of any incident where the Federal agency has resisted or objected to oversight activities of the IG office or restricted or significantly delayed access to information, and (7) a detailed description of any investigation, evaluation, audit, or report that is closed and was not disclosed to the public.

Your request along with our response follows.

1. An accounting of all outstanding unimplemented recommendations, as well as the aggregate potential cost savings of these open recommendations, including:
 - a. Current number of open and unimplemented recommendations.
 - b. Dates on which the open and unimplemented recommendations were initially made.
 - c. Whether agency management agreed or disagreed with the recommendations.
 - d. Total potential cost savings to the agency of the current open and unimplemented recommendations

Our recommendations stem from areas we believe require improved economy, efficiency, and effectiveness in GPO programs and operations. We also design recommendations that address prevention and detection of fraud, waste, and abuse.

GPO continues to demonstrate progress when addressing open recommendations. For example, we reported 79 open recommendations in November 2014. As of March 20, 2015, we have 63 open or unimplemented recommendations. As of the date of this response, all recommendations are resolved. An audit recommendation is resolved when GPO and OIG agree on the action that will correct the problem or deficiency that produced the recommendation. Below are the dates on which open and unimplemented recommendations were initially made.

Report No.	Report Title	No. of Rec's	Date
10-03	GPO's Compliance with the Federal Information Security Management Act of 2002 (FISMA)	5	1/10
12-01	Final Report on Audit of Selected Aspects of GPO Time and Attendance and Payroll	1	11/11
12-13	Audit of Computer Security: Handling a Denial of Service Incident	1	6/12
12-18	Audit of Controls over GPO's Fleet Credit Card Program	1	9/12
12-24	Independent Audit of Harris Corporation—Federal Digital System (FDsys) Master Integrator	1	9/12
13-01	Audit of Management's Oversight of Federal Employees' Compensation Act (FECA) Operations	1	1/13
13-02	GPO Faces Challenges with Current and Former Employee Indebtedness	1	3/13
13-05	Audit of Computer Security: GPO's Risk Acceptance Process for Major Legacy and Minor Applications	3	2/13
13-06	Opportunities Exist to Reduce Costs Associated with Oracle Software Licensing	1	3/13
13-17	Passport Printing and Production System (PPPS) Compliance with FISMA as it Relates to Continuous Monitoring	1	8/13
14-02	Commercial Printing and Dissemination of Government Information at the National Institutes of Health (NIH)	1	11/13
15-04	Management Letter Comments (FY 2014 Independent Auditor's Report)	1	2/15
14-05	Integrated Library System (ILS) Compliance with FISMA as it Relates to Continuous Monitoring	3	12/13
14-07	Changes can Provide GPO Better Information on Establishing Billing Rates for Congressional Hearings (Product Code 83)	3	3/14
14-08	Information Technology Professional Services—Oracle Software	1	3/14
14-10	Information Technology—Microsoft Software Licenses	2	3/14
14-14	Acquisition of U.S. Passport eCovers	4	8/14
14-16	Information Technology Professional Services	2	9/14

Report No.	Report Title	No. of Rec's	Date
14-18	Accountability of U.S. Blank ePassport Books	2	9/14
14-21	Review of Prompt Payment of Invoices on Hold	1	9/14
15-01	Supply Chain Risk: U.S. Blank ePassport Book	7	12/14
15-03	U.S. Government Publishing Office FY 2014 Independent Auditor's Report	2	2/15
15-04	Management Letter Comments (FY 2014 Independent Auditor's Report)	6	2/15
15-05	Information Security: Penetration Testing of GPO's Federal Digital System (FDsys)	6	2/15
15-08	Review of Information Technology Controls in Support of the Consolidated Financial Statement Audit for the Year Ended September 30, 2014	6	3/15

The amounts reported below represent a combination of monetary amounts associated with funds put to better use, questioned costs, and other monetary impacts. The audit reports and recommendations identified approximately \$36.3 million in monetary amounts.

The table is followed by a brief description of the work performed.

Report No.	Report Title	Amount	Classification
12-01	Final Report on Audit of Selected Aspects of GPO Time and Attendance and Payroll Administration	\$372,717	Other Monetary Impact
12-18	Audit of Controls over GPO's Fleet Credit Card Program	\$4,751	Funds Put To Better Use
12-24	Independent Audit of Harris Corporation	\$1,178,814	Questioned Costs
13-01	Management Oversight of the Federal Employees' Compensation Act (FECA) Operations	\$267,162	Funds Put To Better Use
13-02	GPO Faces Challenges with Current and Former Employee Indebtedness	\$245,104	Funds Put To Better Use
13-06	Opportunities Exists to Reduce Costs Associated with Oracle Software Licensing	\$885,240	Funds Put To Better Use
14-02	Commercial Printing and Dissemination of Government Information at the National Institutes of Health (NIH)	\$1,077,000	Funds Put to Better Use
14-07	Changes Can Provide GPO Better Information on Establishing Billing Rates for Congressional Hearings	\$4,030,600	Other Monetary Impact
14-08	Information Technology Professional Services—Oracle Software	\$2,760,000	Funds Put to Better Use
14-10	Information Technology—Microsoft Software Licenses	\$250,000	Funds Put to Better Use
14-14	Acquisition of U.S. Passport eCovers,	\$15.7 million	Other Monetary Impact
14-16	Information Technology Professional Services Integrated Library System (ILS)	\$1.1 million	Other Monetary Impact
14-21	Review of Prompt Payment of Invoices on Hold	\$45,572	Funds Put To Better Use
15-03	Independent Auditors Report—FY 2014 Financial Statements	\$4,339,847	Other Monetary Impact (Financial Accounting)
15-04	Management Letter Comments—FY 2014 Financial Statement Audit	\$4,108,362	Other Monetary Impact (Financial Accounting)
Total		\$36.3 million	

- Final Report on Audit of Selected Aspects of GPO Time and Attendance and Payroll Administration, Report Number 12-01, dated November 16, 2011.

OIG conducted a review to determine if applicable guidance was followed related to time and attendance and payroll administration. In general, the review disclosed controls over leave without pay, absent without leave, annual pay limitations, and advanced annual leave could be strengthened.

- Audit of Controls over GPO's Fleet Credit Card Program, Report Number 12-18, dated September 28, 2012.

OIG initiated the audit to determine if controls over fleet credit cards were adequate and if charges were for allowable and appropriate expenses. We found that documentation for fleet credit card charges worth \$1,027 were not always maintained or readily available. If that amount were multiplied by the three remaining quarters, it could result in \$4,108 worth of unsupported charges. In addition, we identified \$643 in charges incurred for unauthorized premium grades of fuel.

- Independent Audit of Harris Corporation, Report Number 12-24, dated September 21, 2012.

OIG contracted with the Defense Contract Audit Agency (DCAA) to determine whether the direct materials, direct labor, travel, and other direct costs of approximately \$15 million charged by a contractor used to develop GPO's Federal Digital System (FDsys) were allocable and allowable. DCAA questioned \$1,178,814 of claimed costs. Of the questioned amount, DCAA questioned direct material costs related to payments exceeding contract funding limits. It also questioned overtime costs not approved as required by the contract. Additionally, DCAA questioned costs related to field premiums and cost of living allowance (COLA) because field premiums are unreasonable and the COLA duplicated other reimbursements for locality adjustments in the Washington, D.C., area.

- Management Oversight of Federal Employees' Compensation Act (FECA) Operations, Report Number 13-01, dated January 15, 2013.

OIG assessed GPO's monitoring of key aspects of its FECA operations related to returning claimants to work. We identified opportunities where additional action could strengthen the monitoring of FECA operations. At a minimum, monitoring FECA should include: (1) maintain up-to-date marital status of claimants, (2) evaluation of the continued eligibility of claimant dependents, (3) seeking opportunities to bring claimants back on a modified, limited, or light duty assignment, (4) receiving medical updates on a regular basis, (5) obtaining second medical opinions where the record indicates the claimant has some potential of eventually returning to work, (6) responding to requests for vocational training, and (7) requesting employees be included in the Assisted Reemployment program of the Office of Workers' Compensation Program (OWCP). While it may perform many of these duties on an *ad hoc* basis, GPO could not demonstrate that it monitors FECA on a program-wide basis. Although we did not review claim files, we observed four instances where GPO missed opportunities to return claimants to work, which resulted in approximately \$267,000 worth of FECA compensation paid while each claimant could have returned to work.

- GPO Faces Challenges with Current and Former Employee Indebtedness, Report Number 13-02, dated March 27, 2013.

OIG reviewed whether GPO provided sufficient oversight of current and former employee indebtedness. The debts of GPO employees generally result from events such as general time and attendance errors, Federal Employee Health Benefits premiums paid on behalf of an employee during periods of Leave Without Pay, annual and/or sick leave taken but not earned, and salary advances taken without repaying GPO. We noted several key areas existed where improvements would enhance controls over the prevention, establishment, and collection of debts owed GPO by current and former employees.

- Opportunities Exist to Reduce Costs Associated with Oracle Software Licensing, Report Number 13-06, dated March 29, 2013.

OIG initiated an audit to identify major instances of potential duplication and overlap of Oracle modules and licenses present and if so, which controls could be strengthened to mitigate the condition. We identified 14 instances where GPO pays for both an application user license and processor license for the same Oracle products costing \$301,547. We noted that GPO uses Oracle on Demand hosting for its ePassport production to maintain standby databases, a master repository, and the NetApp Snap Mirror, costing GPO \$583,693 when a less expensive alternative may be available. We also identified excess user licenses and processor licenses, which may result in cost savings.

- Commercial Printing and Dissemination of Government Information at the National Institutes of Health, Report Number 14-02, dated November 29, 2013.

OIG conducted an audit to assess GPO's monitoring of key aspects of public printing and document retention requirements as prescribed in title 44 of the United States Code as it relates to National Institutes of Health (NIH). Our work disclosed that GPO was not provided required information to: (1) realize lower printing costs for NIH and the taxpayer, (2) identify information dissemination products for inclusion into the Federal Depository Library Program (FDLP), and (3) catalog and index information dissemination products. However, we noted that GPO could strengthen its monitoring of key aspects of its related operations. For example, a review of the annual commercial printing activity reported by NIH compared to GPO cost estimates, FDLP, and cataloging and indexing requirements disclosed: (1) NIH paid approximately 40 percent more for commercial printing compared to GPO estimates, and (2) 208 of 500 (41 percent) of products NIH obtained from sources other than GPO met the criteria for inclusion in FDLP but were not included.

- Changes Can Provide GPO Better Information on Establishing Billing Rates for Congressional Hearings, Report Number 14-07, dated March 24, 2014.

OIG conducted an audit to determine the steps GPO took in establishing the billing rates for congressional products. Our audit disclosed that the framework for formulating and analyzing billing rates for congressional hearings (Product Code 83) could be strengthened, individual product rates should be analyzed more frequently, and data reliability used in support of establishing billing rates should be strengthened. For the purpose of this audit, we reviewed congressional hearings (GPO Product Code 83) and did not draw a conclusion on other product codes.

- Information Technology Professional Services—Oracle Software, Report Number 14-08, dated March 25, 2014.

OIG initiated an audit to identify any major instances of potential duplication and overlap of Oracle Information Technology (IT) support services, and, if any existed, determine which controls could be strengthened to mitigate the condition. Our audit disclosed that purchase orders and statements of work did not always provide a clear description of the required work and in many instances we could not associate a statement of work with a purchase order. In addition, GPO could not always produce contractor weekly status reports for contractor employees working on the various projects from October 2012 through May 2013. We did not review other periods related to weekly status reports. Of the 35 weeks reviewed, approximately 40 percent of the status reports were missing. GPO's contract files did not contain key planning documents that would support an overall strategy for managing the acquisition such as addressing the technical, business, management, and other significant considerations that will control the acquisition.

- Information Technology—Microsoft Software Licenses, Report Number 14-10, dated March 27, 2014.

OIG initiated an audit of GPO's oversight of Microsoft software licensing. Generally, GPO has established several effective controls over its Microsoft software management program. However, we noted that management could improve program effectiveness by establishing documented procedures that approximate user demand and also strengthen its oversight by periodically monitoring changes in user and device demand. As a result, all the purchased licenses may not have been necessary.

- Acquisition of U.S. Passport eCovers, Report Number 14-14, dated August 1, 2014.

In general, OIG evaluated the steps GPO took in procuring the U.S. passport eCovers. Our audit disclosed that GPO did not always follow prescribed

steps during the acquisition process. As a result, we reported that GPO could leave itself open to questioning the \$15 million annual cost difference between bid prices of one offeror and the highest bidder that was awarded the contract.

- Information Technology Professional Services Integrated Library System, (ILS) Report Number 14-16, dated September 26, 2014.

OIG reviewed GPO's oversight of the Integrated Library System (ILS) technical products as administered by its support contractor. The review revealed that additional management attention is required to ensure that Agency needs are met. For example we noted that contractor responsibilities were not always clear, management did not perform a lease versus purchase analysis for hosting services and hardware to determine the appropriate acquisition method, and GPO did not have documentation validating that expenditures were based on the best value to the Government. Cumulatively, during the last 3 years, GPO paid approximately \$671,000 for software maintenance and approximately \$447,000 for hosting services.

- Review of Prompt Payment of Invoices on Hold, Report Number 14-21, dated September 23, 2014.

OIG initiated a review to evaluate the steps GPO takes to promptly pay invoices on hold and whether those steps were effective in achieving early payment discounts. As of March 12, 2014, GPO's Invoices on Hold Report included 498 invoices totaling approximately \$5.3 million and placed on hold for a variety of reasons. Generally, GPO's accounting system—Oracle GBIS [GPO's Business Information System]—automatically placed holds on the invoices. Of the 498 invoices, 421 (84.5 percent) were on hold because the quantity billed exceeded the quantity received, 53 (10.6 percent) because the total invoice distribution did not equal the invoice amount, 48 (9.6 percent) were the result of the quantity billed exceeded the quantity ordered, 37 (7.4 percent) because the quantity billed exceeded the quantity accepted, and 4 (.8 percent) were on hold based on an issue with the purchase order. Some invoices had multiple hold types. Of the 498 invoices on hold, 292 invoices totaling approximately \$2.2 million were on hold longer than 30 days. Of those invoices, 131 invoices, totaling \$830,947 were on hold in excess of 90 days. If a 2-percent discount had been offered and taken, GPO could have realized as much as \$45,572. OIG did not calculate this value based on an individual review of invoices not paid within 30 days.

- Independent Auditors Report—FY 2014 Financial Statements, Report Number 15-03, dated February 5, 2015, and Management Letter Comments—FY 2014 Financial Statement Audit, Report Number 15-04, dated February 13, 2015.

In planning and performing the audit of the consolidated financial statements, certain deficiencies in internal controls were considered to be significant deficiencies. For example, accounting deficiencies were noted in the recording of fixed assets disposal, authorizing purchase requisitions, accrued annual leave estimates, and reconciliations of annual leave.

2. A narrative description of all audits, evaluations, and investigations provided to the agency for comment but not responded to within 60 days.

In FYs 2014 and 2015, OIG completed 45 audits, evaluations, reports of investigation, management implication reports, and memoranda of GPO programs, operations, and activities and, as appropriate, oversaw related audit work performed by outside parties. When requested, GPO management provided timely responses and/or updates to all OIG products.

In March 2015, OIG issued three reports. The draft issuance and management response dates are depicted below.

- On March 17, 2015, OIG issued Draft Report—Improved Contract Administration Needed for the Acquisition of U.S. Passport Paper (Visa) for management comment. On March 26, 2015, GPO provided a response.
 - On March 11, 2015, OIG issued Draft Report—GPO Mailroom: Controls over Express Package Processing. On March 19, 2015, GPO provided a response.
 - On March 6, 2015, OIG issued Draft Report—Audit of Claim for Payment (Jacket Number 535-517). On March 17, 2015, GPO provided a response.
3. A report on each investigation involving GS-15 level or above employees, or other Federal pay scale equivalent employees, at a Federal agency or department where misconduct was found, but no prosecution resulted, including:
 - a. A detailed description of the facts and circumstances of the investigation; and
 - b. A detailed description of the status and disposition of the matter, including whether there was a referral to the Department of Justice, the date of any such referral, whether there was declination from the Department, the date of any such declination, and an explanation of the reasons for any such declination.

During the period of January 1, 2014, through March 20, 2015, OIG investigated two GS-15 equivalent employees for alleged misconduct. The first instance involved an allegation that a GPO employee misused his Government position to steer a contract when he inappropriately excluded an offeror from consideration in favor of an incumbent contractor. Our investigation found no direct evidence that the employee structured and/or steered the acquisition in favor of an incumbent contractor or personally benefited from the award. The second instance involved allegations of time and attendance fraud. Our investigation revealed no evidence that the employee or anyone else intentionally falsified time and attendance records. The respective investigations did not substantiate the allegations; therefore, the OIG did not refer either case to the U.S. Department of Justice. OIG issued an investigative report to GPO management for possible corrective action regarding the time and attendance allegation (GPO corrected the employee's time and attendance record) and a report to GPO management for informational purposes regarding the procurement irregularities allegation.

4. Detailed descriptions of any instances of whistleblower retaliation, including information about the official found to have engaged in retaliation and what, if any consequences, the agency imposed to hold that official accountable. However, please seek whistleblower consent before revealing any whistleblower's personally identifiable information to Congress.

OIG established the Whistleblower Protection Program to ensure employees and applicants who disclose allegations of serious wrongdoing or gross mismanagement are free from fear of reprisal for their disclosures. The program was authorized by the Whistleblower Protection Enhancement Act of 2012, which became law on November 27, 2012.

During the period of January 1, 2014, through March 20, 2015, OIG closed one whistleblower retaliation investigation due to the complainant voluntarily withdrawing the complaint. OIG currently has two whistleblower retaliation investigations open involving 4 complaints. Two of the 4 complaints have been resolved. The remaining 2 complaints are pending with the EEOC.

5. Detailed descriptions of any attempts to interfere with IG independence, including:
 - a. Restricting communications between the IG office and Congress; and
 - b. Budgetary constraints designed to limit the capabilities of the IG office.

OIG has not experienced any instances where the Agency has attempted to interfere with IG independence.

6. A detailed description of any incident where the Federal agency or department, as applicable, has resisted or objected to oversight activities of

the IG office or restricted or significantly delayed access to information, including the justification of the Federal agency or department for such action.

OIG has not experienced any instances where the Agency has resisted or objected to oversight activities of the IG office or restricted or significantly delayed access to information.

7. A detailed description of any investigation, evaluation, audit, or report that is closed and was not disclosed to the public.

During the period October 1, 2012, through March 20, 2015, we issued 13 non-public audit products to GPO senior managers. Detailed report numbers and titles are listed below.

Report No.	Report Title
13-03	Report on FDsys Compliance with FISMA as it Relates to Continuous Monitoring
13-07	GPO Business Information System – Notification of Findings and Recommendations Related to the General and Application Controls Testing – FY 2012 Audit of GPO's Consolidated Financial Statements
13-08	General Support System – Notification of Findings and Recommendations Related to the General and Application Controls Testing – FY 2012 Audit of GPO's Consolidated Financial Statements
13-11	Final Report FY 2012 Management Advisory Comments – Information Technology
13-17	PPPS Compliance with FISMA as it Relates to Continuous Monitoring
14-04	FTP Compliance with FISMA as it Relates to Continuous Monitoring
14-05	ILS Compliance with FISMA as it Relates to Continuous Monitoring
14-06	WebTA Compliance with FISMA as it Relates to Continuous Monitoring
14-13	Review of Information Technology Controls in Support of the Consolidated Financial Statements for the Year Ended September 30, 2013
14-18	Accountability of U.S. Blank ePassport Books
15-01	Supply Chain Risk: U.S. Blank ePassport Book
15-05	Information Security: Penetration Testing of GPO's FDsys
15-08	Review of Information Technology Controls in Support of the Consolidated Financial Statement Audit for the Year Ended September 30, 2014

Our closed, non-public investigations for the same period consisted of 33 investigative-related reports referred to GPO senior managers. Details are listed below.

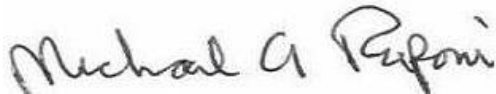
Report No.	Report Title
10-0024-I	Vendor Violated Terms of Certificate of Independent Price Determination
10-0027-I	Vendor Misrepresents Invoice Quantity
10-0038-I	Vendor Violated Contract Terms
12-0011-I	Employee Misconduct: Parking Program
13-0001-I	Employee Misconduct: Prohibited Political Activity by GPO Employees
13-0002-C	Employee Misconduct: Unreported Allegations of Illegal Drug Possession
13-0005-I	Vendor Falsifies Documents
13-0007-C	Employee Misconduct: Gambling on Government Property and Refusing to Cooperate
13-0011-C	Procurement of Law Enforcement Credential Stock
13-0040-C	Federal Depository Library Program Planned October 2013 Conference
13-0053-C	Report of Structured Query Language Injection Incident
14-0011-I	Vendor Engaged in Unauthorized Subcontracting
14-0013-I	Attempted Coercion of a Contracting Official
14-0001-I	Management Implication Report—Allegations of Workplace Violence
13-0003-I	Suspension/Debarment Referral
15-0010-I	Management Referral—Alleged Contractor Misconduct
15-0001-I	Management Referral—Claimed Employment Experience
14-0036-C	Referral—Alleged Sleeping on Duty

Report No.	Report Title
14-0019-I	Management Referral—Alleged Employee Misconduct.
14-0002-I	Management Implication Report—Carpet Purchase and Installation
14-0003-I	Suspension/Debarment Referral
10-0026-I	Suspension/Debarment Referral
14-0011-I	Suspension/Debarment Referral
14-0028-C	Management Referral—Alleged Employee Misconduct
14-0015-I	Management Implication Report—Missing HSPD 12 PIV Blank Card Stock
14-0023-I	Suspension/Debarment Referral
13-0007-I	Management Referral—Alleged Time and Attendance Fraud
13-0012-C	Management Referral—GPO Employee
14-0013-I	Suspension/Debarment Referral
14-0009-C	Referral—Alleged Violation of Alcohol Free Workplace Policy
12-0006-I	Debarment Referral
14-0012-I	Suspension and Debarment Referral
14-0001-C	Management Implication Report—Suspicious Mail

OIG's success is due, in large part, to the continued support and interest of GPO's senior management team as well as interested Committees and Members of Congress. We appreciate the oversight and welcome the opportunity to provide you with any additional information or clarification you may need. We strive to maintain and strengthen our communication between the OIG and Congress to ensure it is open, ongoing, and transparent.

Should you need any other information, please do not hesitate to contact me at (202) 512-0039.

Respectfully submitted,



Michael A. Raponi
Inspector General